



MillenniOld

Keeping the New Generation of
Middle-Aged Homeowners from
Killing Off the HOA



CINC Systems

live
laugh
love



Millennial

Stats



- Anyone born between the years 1981 and 1996 is classified as a Millennial.
- The oldest Millennials as of 2023 are 42 years old.
- Even though Millennials are better educated than previous generations, they also have lower household income and net worth than any previous generation.⁴
- Due to lower income and a higher cost of living, Millennials are either putting off having children or are choosing to not have children altogether - a stark difference from previous generations.⁵
- Millennial men who do have children are up to three times more involved in their childrens' lives than previous generations.⁶



Millennials Are Old.

Ok not really old, but older than you think.

Super Mario Bros. Barbie. Teenage Mutant Ninja Turtles. The highest-grossing summer movies of 2023 have one thing in common: they are nostalgic for the average Millennial childhood. And why would a production company opt to spend millions on Millennial nostalgia? Because this generation is not a group of hipster kids anymore. They are middle-aged members of society with the most spending power.

Once known for their affinity for artisanal coffee and indie music, Millennials have now transitioned into a pivotal phase of life, making a tangible impact on several industries. But while this impact has been felt in e-commerce, entertainment, and other consumer-facing channels, it has yet to reach the housing market - until now.

As of Spring 2023, the Millennial generation finally shifted from renter-majority to homeowner-majority.¹ This evolution not only reflects the maturation of the Millennial generation, but it also holds far-reaching implications for the socio-economic fabric of homeowners' and condominium associations. While Millennials have certainly transformed many industries for good, they are also responsible for essentially "killing off" many other industries. From napkins² to MLMs,³ one thing is clear: if a Millennial isn't buying what you're selling, you're not going to be selling it for much longer. Knowing this, we at CINC Systems wanted to know the answer to this question: Will Millennials kill off HOAs?

To answer this question, we surveyed hundreds of homeowners across the United States - all of whom live in a homeowners' or condominium association. We asked them about their current experience in their communities, what they'd like to see in the future for their association, what it would take to increase their involvement and engagement within their boards, and how technology plays a role in their overall satisfaction. We developed this report to determine if the power that Millennials hold will help or hurt the CAM industry in the future decade - and if this industry is in trouble, what management companies can do now to prevent a potential downturn.

We can't make fun of avocado toast and participation trophies anymore. It's time to take Millennials seriously. After all, they are pretty darn old.



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Hate HOAs?

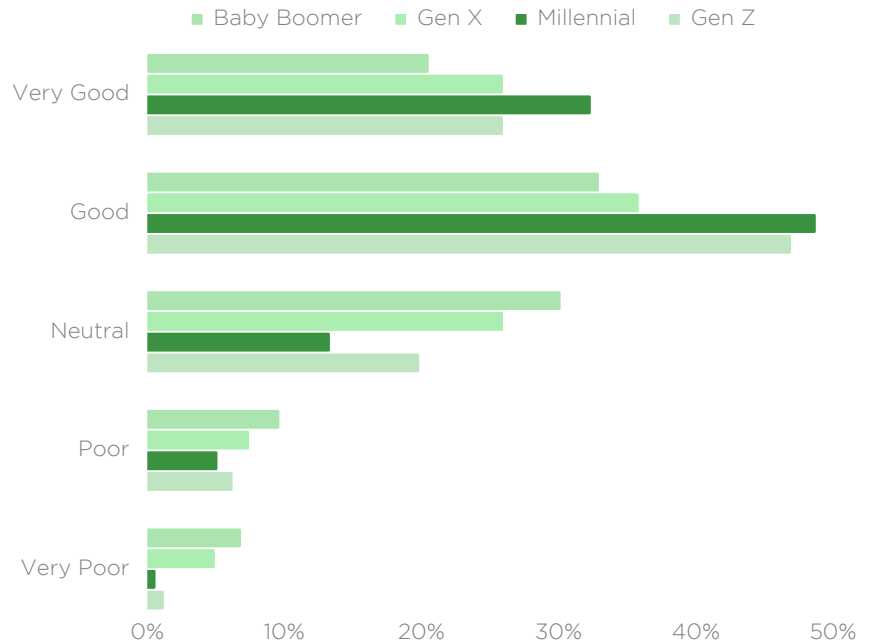
That's so **Boomer** of you.

Based on media sentiment against HOAs/COAs,⁷ we made the initial hypothesis that Millennials currently living in a homeowners' or condominium association would have negative connotations toward their experience. But as Chandler from Friends would say, we couldn't be more wrong.

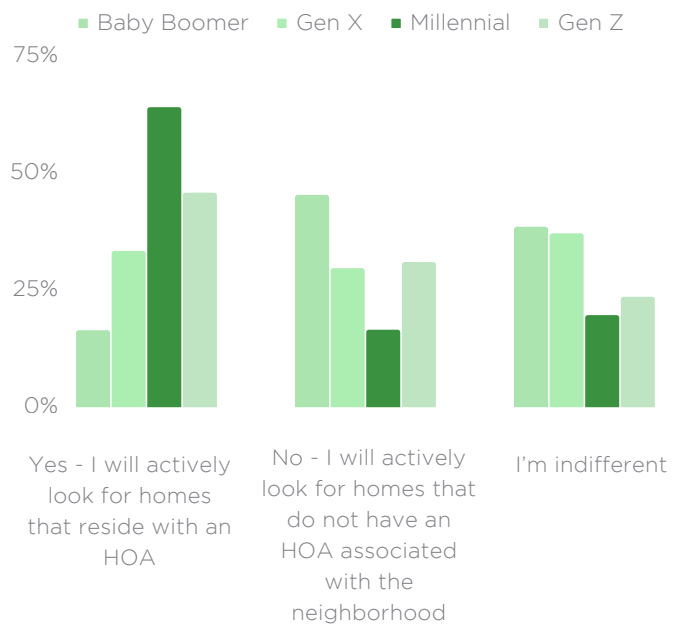
In fact, Millennials favor their associations significantly more than their Gen X and Baby Boomer counterparts, and Gen Z is following suit in favorability toward the HOA/COA as well. 81% of Millennials cite their experience living in an HOA/COA as good or very good, and 64% of Millennials plan to actively look for homes that reside within an HOA/COA for their next move.

But why are older generations so much more dismayed by the HOA/COA space, and will this negativity impact Millennials in the future? Millennials may not be ready to kill HOAs yet, but we need to dig in deeper to understand exactly what measures need to take place to avoid a future kill-off.

How would you rate your experience living in a homeowners'/condominium association?



Do you wish to live in a homeowners' association for your next move?



Bottom Line

Current data suggests that HOAs and COAs are positively favored by Millennials over any other generation - and as they are also the largest share of new homebuyers, all data is pointing up. Executives need to be mindful of the needs and frustrations of the Millennial homeowner in order to keep sentiment high.

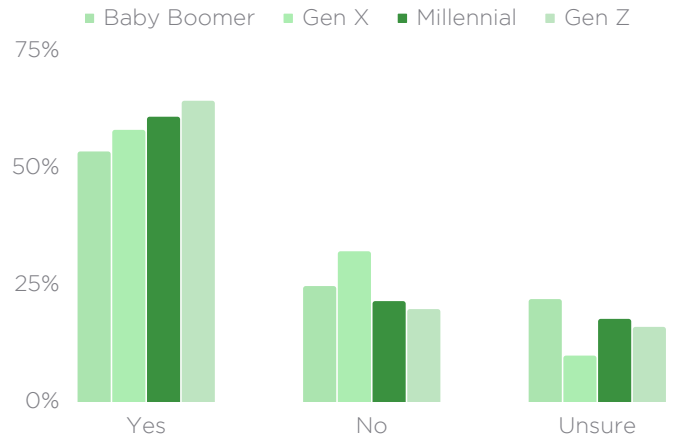


Are Rules Meant to be Enforced? or Enhanced?

It's interesting to note that while Millennials and Gen Zers show more favorability towards their HOA/COA, they are also more likely to find their laws, bylaws and management regulations to be too restrictive. And while there is overwhelming distaste toward the rules across all generations, the younger the homeowner, the more they hate the rules.

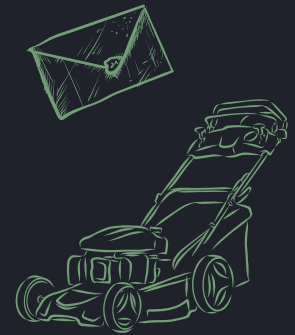
This leads us to wonder exactly what is written in these CCRs. If a Baby Boomer prefers the CCRs more than a Millennial, could it be because the CCRs were last updated when Baby Boomers were in their 40s?

Do you think laws, bylaws or management regulations enforced by the HOA are too restrictive?



Consider This:

- *When was the last time you updated your CCRs?* If it's been a while, the language may be outdated, or some of the rules may be unnecessary. What's more, research suggests that many older CCRs are insensitive to race, ethnicity, and other marginalized communities.⁸
- *Do you consider differences in backgrounds when enforcing the rules behind an association?* For instance, do you consider the fact that neighbors who immigrated from a different country may perceive lawn maintenance differently than neighbors born in the United States? This is important because Millennials and Gen Zers are considerably more diverse in background and identity than past generations.⁹
- *Is it easy to find and review CCRs through a mobile app?* Is it easy to search for a rule in that CCR? Or, is everything hidden in a sea of papers and PDFs?



Bottom Line

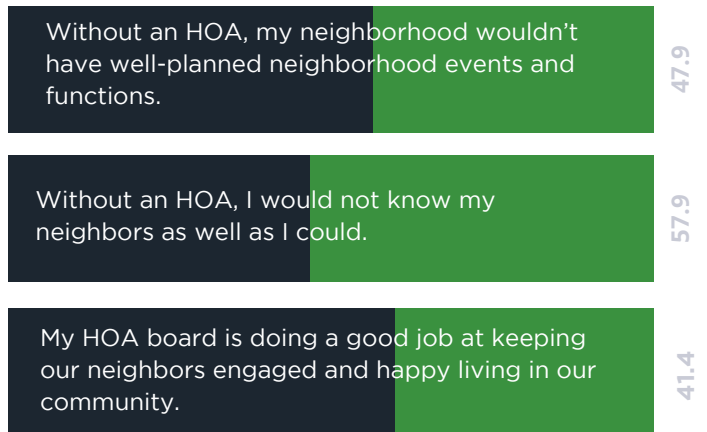
Management companies should work with their boards to review their CCRs for the new generation. Outdated verbiage could lead to potential consequences that harm owners of different backgrounds. CCRs must also be easily accessible through mobile technology and artificial intelligence (AI).



It's About Community, So Make It About Community.

We asked homeowners living in an HOA/COA whether or not they agreed with a series of statements about their association. Some of the statements related to general upkeep and technology, while other statements regarded homeowner engagement. When it comes to engagement, there was low belief among Millennials that without an HOA, their neighborhood wouldn't have well-planned events and functions. Millennials are also less inclined to believe that their board is doing a good job at keeping neighbors engaged and happy. However, they are more inclined to believe that their HOA helps them get to know their neighbors better.

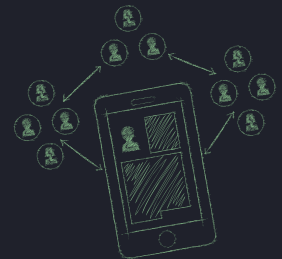
Agree or Disagree: Scale of 1 - 100, 1 = Strongly Disagree
Millennial Data Only



Based on this data, it's clear that HOAs and COAs need to focus more on community involvement. To do this effectively, it all boils down to the impact that the Community Manager has on the board. Community and Property Managers should be actively supporting their boards in event planning, and management companies should be showcasing these events through their digital channels to elevate perception. But that's of course easier said than done. It's not so much a question of should a manager focus more on homeowner engagement, but can a manager focus more on homeowner engagement?

Consider This:

- Are your managers able to focus on community-building efforts with their boards, or are they bogged down with property maintenance?
- Is your software ensuring that your managers are focused on working one-on-one with their boards and homeowners, or do your managers have to process multiple menial tasks to complete their day-to-day?
- Do your managers have to run back and forth between their office and properties to complete all their tasks, or are they able to get it all done on their mobile device?



Bottom Line

Millennials need to better understand the value of professionally managed communities through the lens of engagement. This can be accomplished if managers are properly supported through coaching and technology.

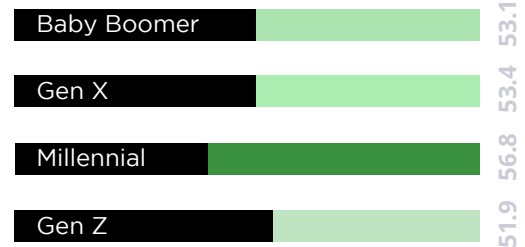


The Biggest Millennial Gripe? Your Technology.

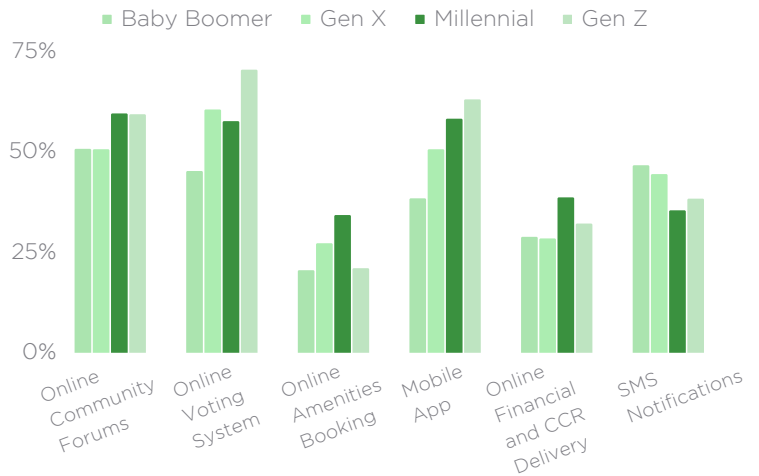
When asked about the technology used by their HOA/COA, Millennials more than any other generation feel that the technology used is poor and clunky.

When asked what they'd like to see in their association, tools that drive engagement are the clear winners. Both Millennials and Gen Zers unanimously wish to see online community forums, online voting systems, a mobile app for payment processing and communications, and online deliveries of financials and CCR documents. While not as high on the list, Millennials also wish to see amenity booking tools more than any other generation. This is further proof that Millennials want technology that drives community.

Agree or Disagree: The technology used by an HOA is very poor and clunky
Scale of 1 - 100, 1 = Strongly Disagree



What kind of technologies do you think would improve your experience living in an HOA? Select all that apply.



Consider This:

- Are your associations able to drive engagement through surveys that give homeowners the ability to have fun in their community, such as voting for the best lawn or best seasonal home decor?
- Can your homeowners vote for their board members through electronic means, or do they need to vote through paper ballots?
- Are your homeowners able to view photos and communications of upcoming association events through a branded mobile app?



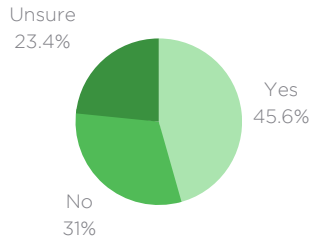
Bottom Line

Millennial homeowners are unsatisfied with the technology used within their HOA/COA, but management companies can easily solve for this by adopting digital tools that drive engagement. Mobile apps, online voting, and online survey functionality aren't just nice-to-have gadgets. They are necessary in keeping homeowners engaged and excited about their HOA/COA.



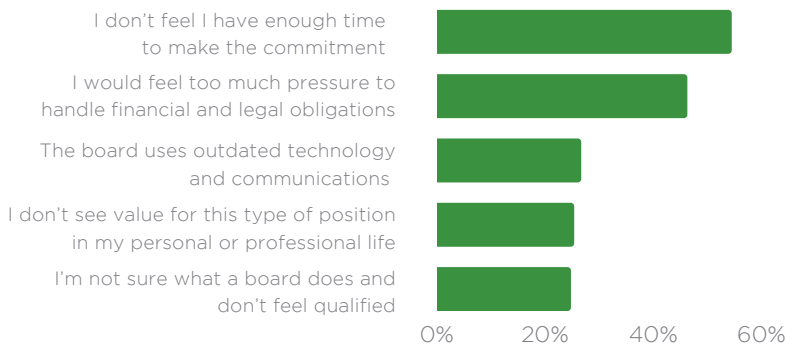
Millennials are On Board, So Long As It Is Easy For Them.

Would you ever consider joining your HOA/COA board?
Millennial Data Only



Management company executives often feel that younger homeowners are uninterested in joining a board, yet our data shows that over 45% of Millennials would be interested and 23.4% are unsure. Their main deterrence is time commitment, followed by financial and legal pressures.

What factors would deter you from joining your board?
Select all that apply.
Millennial Data Only



Board members are volunteer positions that come with a lot of pressure. Millennials will join a board to make a difference in their community, and they want to do so, but they can't do it if it's a volunteer role fraught with excessive time constraints and financial decisions that they don't feel qualified to make.

Consider This:

- Are your managers transparent about the time commitment of board members?
- Do your boards have a clear understanding of the roles they play in legal concerns regarding HOA/COA living, and what you do to support legal concerns as a management company?
- Do your boards have quick access to financial documents through mobile devices and web portals, or are these documents sent to overwhelmed email inboxes?



Bottom Line

Millennials are the new generation of HOA/COA board members, but they cannot step up to the plate without sufficient technology, lowered time commitment, and proper manager support. The technology used by board members needs to be mobile-first so that they can manage their responsibilities quickly, and all of the financials need to be easily accessible through mobile devices.



Let's Recap

Millennials are different from the middle-aged families we're used to seeing within our associations. They have less money in their bank accounts. They have smaller families with more involved fathers. They have significantly more diverse backgrounds. And this means that the way we manage our HOAs and COAs needs to change to welcome our new wave of homeowners.

- We need to reevaluate the way we manage rules and regulations. We need to be more flexible, more forgiving, and more attuned to differing viewpoints and backgrounds.
- We need to reconsider the role of our managers. We need managers focused on building community and encouraging event-driven engagement within an association. We don't need them overwhelmed with minutiae.
- We need to re-engage our communities through digital technology. We need to take advantage of the digital tools offered in our industry that bring laughter, camaraderie, and fun to the homeowners' association.
- We need to encourage Millennials to become board members. We do this through transparent communication, one-on-one support, and digital tools that make the volunteer role seamless and focused on community engagement.



In embracing these ideals, we pave the path to a vibrant future for homeowners' associations. By fostering flexibility, forgiveness, and a genuine appreciation for diverse perspectives, we not only preserve the essence of community but also fortify its foundations. Through these concerted efforts, we defy any notions of obsolescence and propel homeowners' associations into an era of relevance, vitality, and enduring communal harmony. By focusing on community over anything, we don't just keep Millennials from killing the HOA - we empower them to make HOAs better than ever.





About CINC Systems

CINC Systems is the largest provider of software in the association management industry and the innovator behind accounting and banking integration. Our mission is to make living in a professionally managed community a great experience, and we do this by providing technology that alleviates manager workload and improves digital engagement among homeowners and board members. Learn more at www.cincsystems.com

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